

Carabao Group Public Company Limited
and its subsidiaries
Report and consolidated financial statements
For the year ended 31 December 2017

Independent Auditor's Report

To the Shareholders of Carabao Group Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Carabao Group Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2017, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Carabao Group Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Carabao Group Public Company Limited and its subsidiaries and of Carabao Group Public Company Limited as at 31 December 2017, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

As discussed in Note 4.1 to the financial statements regarding the accounting policies on revenue recognition from sales of goods, sales of goods are significant on accounting line items as the amounts recorded are material and directly affect profit or loss of the Group. In addition, the sales transactions of the Group are made with a large number of customers such as overseas customers, traditional trade customers, modern trade customers and cash van customers, pertaining to matters such as sales promotions, discounts and special discounts to boost sales. As a result, the Group's recognition of revenue from sales and recording of sale promotions and discounts are complex. I therefore focused my audit on the revenue recognition of the Group.

I examined the Group's revenue recognition by assessing and testing the Group's IT system and internal controls with respect to the revenue cycle by making enquiries of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. In addition, I applied a sampling method to select sales transactions occurring during the year and near the end of the accounting period to examine the supporting documents and reviewed credit notes that the Group issued after the period-end. I tested the data being used in calculation and recording accrued rebate from sales promotions and discounts at the end of reporting period whether it was consistent with the conditions of the relevant agreements or arrangements with the customers. I also performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Impairment of goodwill

As discussed in Note 12.6 to the financial statements, relating to goodwill arising from business combination. I have focused my audit on the consideration of the impairment of goodwill, because the assessment of impairment of goodwill is a significant accounting estimate requiring management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the amount of goodwill.

I assessed the identification of cash generating units and the financial models selected by management by gaining an understanding of management's decision-making process and assessing whether the decisions made were consistent with how assets are utilised. I also tested the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgement in estimating the cash flow projections. I also evaluated the discount rate applied by management through analysis of the average costs of the Group and of the industry, tested the calculation of the realisable values of the assets using the selected financial model and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rates. Moreover, I reviewed the disclosure made with respect to impairment assessment for goodwill.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Wichart Lokatekrawee
Certified Public Accountant (Thailand) No. 4451

EY Office Limited
Bangkok: 21 February 2018

Carabao Group Public Company Limited and its subsidiaries

Consolidated statement of financial position

As at 31 December 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Assets					
Current assets					
Cash and cash equivalents	7	146,767,481	745,060,243	15,329,903	428,753,984
Current investments	8	7,129,949	604,282,308	7,129,949	604,282,308
Trade and other receivables	6, 9	959,860,677	561,575,798	59,160,222	43,378,607
Short-term loans to related parties	6	-	-	3,769,385,643	3,268,000,000
Dividend receivable from related parties	6, 30	-	-	599,998,000	726,996,730
Inventories	10	656,266,459	433,504,355	-	-
Other current assets	11	389,173,787	110,482,301	67,180	2,877
Total current assets		2,159,198,353	2,454,905,005	4,451,070,897	5,071,414,506
Non-current assets					
Investment in subsidiaries	12	-	-	3,300,418,618	1,959,012,611
Investment properties	13	103,163,135	103,847,726	-	-
Property, plant and equipment	14	9,608,939,899	6,626,890,871	-	-
Goodwill	12	535,466,517	536,064,842	-	-
Intangible assets	15	67,006,871	15,151,465	3,640,000	-
Deferred tax assets	25	31,360,592	33,696,130	5,563,288	4,305,686
Other long-term receivable - related party	6	-	-	26,172,146	26,172,146
Other non-current assets		14,783,399	7,935,009	-	-
Total non-current assets		10,360,720,413	7,323,586,043	3,335,794,052	1,989,490,443
Total assets		12,519,918,766	9,778,491,048	7,786,864,949	7,060,904,949

The accompanying notes are an integral part of the financial statements.

Carabao Group Public Company Limited and its subsidiaries

Consolidated statement of financial position (continued)

As at 31 December 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	16	845,000,000	750,000,000	735,000,000	750,000,000
Trade and other payables	6, 17	1,897,197,205	1,365,039,568	53,134,520	75,849,120
Current portion of long-term loans from financial institutions	20	300,000,000	-	300,000,000	-
Short-term loans from non-controlling interests of the subsidiary	18	57,128,088	-	-	-
Income tax payable		94,722,177	183,067,160	8,487,746	1,456,170
Other current liabilities	19	12,532,461	27,033,700	168,000	-
Total current liabilities		3,206,579,931	2,325,140,428	1,096,790,266	827,305,290
Non-current liabilities					
Long-term loans from financial institutions, net of current portion	20	2,190,400,000	250,000,000	700,000,000	250,000,000
Provision for long-term employee benefits	21	102,197,343	89,751,688	54,025,612	47,700,578
Deferred tax liabilities	25	151,508	-	-	-
Deposits received for rental	6	15,284,935	14,056,105	-	-
Total non-current liabilities		2,308,033,786	353,807,793	754,025,612	297,700,578
Total liabilities		5,514,613,717	2,678,948,221	1,850,815,878	1,125,005,868

The accompanying notes are an integral part of the financial statements.

Carabao Group Public Company Limited and its subsidiaries

Consolidated statement of financial position (continued)

As at 31 December 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital					
Registered					
1,000,000,000 ordinary shares of Baht 1 each		<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued and fully paid up					
1,000,000,000 ordinary shares of Baht 1 each		1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Share premium		3,962,980,492	3,962,980,492	3,962,980,492	3,962,980,492
Surplus on business combination under common control		323,215,788	323,215,788	-	-
Surplus on changes in percentage of shareholding					
in subsidiaries		108,959,056	108,959,056	108,959,056	108,959,056
Retained earnings					
Appropriated - statutory reserve	22	100,000,000	100,000,000	100,000,000	100,000,000
Unappropriated		1,674,589,236	1,377,500,411	764,109,523	763,959,533
Other components of shareholders' equity		<u>(55,960,183)</u>	<u>383,586</u>	<u>-</u>	<u>-</u>
Equity attributable to owners of the Company		<u>7,113,784,389</u>	<u>6,873,039,333</u>	<u>5,936,049,071</u>	<u>5,935,899,081</u>
Non-controlling interests of the subsidiary		<u>(108,479,340)</u>	<u>226,503,494</u>	<u>-</u>	<u>-</u>
Total shareholders' equity		<u><u>7,005,305,049</u></u>	<u><u>7,099,542,827</u></u>	<u><u>5,936,049,071</u></u>	<u><u>5,935,899,081</u></u>
Total liabilities and shareholders' equity		<u><u>12,519,918,766</u></u>	<u><u>9,778,491,048</u></u>	<u><u>7,786,864,949</u></u>	<u><u>7,060,904,949</u></u>
		-	-	-	-

The accompanying notes are an integral part of the financial statements.

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Directors
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Carabao Group Public Company Limited and its subsidiaries

Consolidated income statement

For the year ended 31 December 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit or loss					
Revenues					
Sales		12,904,241,965	9,943,350,781	-	-
Dividend income from subsidiaries	6, 12	-	-	851,997,160	1,136,994,530
Other income	23.1	163,530,977	146,748,039	389,420,497	259,924,487
Total revenues		13,067,772,942	10,090,098,820	1,241,417,657	1,396,919,017
Expenses					
Cost of sales		8,839,651,329	6,388,247,905	-	-
Selling expenses		2,378,535,316	1,462,115,434	-	-
Administrative expenses		740,669,700	510,790,665	213,406,514	214,205,043
Other expenses	23.2	-	42,177,371	1,617,816	2,029,465
Total expenses		11,958,856,345	8,403,331,375	215,024,330	216,234,508
Profit before finance cost and income tax expenses		1,108,916,597	1,686,767,445	1,026,393,327	1,180,684,509
Finance cost		(47,701,522)	(3,678,598)	(50,625,821)	(771,798)
Profit before income tax expenses		1,061,215,075	1,683,088,847	975,767,506	1,179,912,711
Income tax expenses	25	(260,556,512)	(278,212,728)	(24,738,549)	(8,932,070)
Profit for the year		800,658,563	1,404,876,119	951,028,957	1,170,980,641
Profit attribution to					
Equity holders of the Company		1,245,811,776	1,489,755,815	951,028,957	1,170,980,641
Non-controlling interest of the subsidiaries		(445,153,213)	(84,879,696)		
		800,658,563	1,404,876,119		
Earnings per share					
	27				
Basic earnings per share					
Profit attributable to equity holders of the Company		1.25	1.49	0.95	1.17
Weighted average number of ordinary shares (share)		1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000

The accompanying notes are an integral part of the financial statements.

Carabao Group Public Company Limited and its subsidiaries

Consolidated statement of comprehensive income

For the year ended 31 December 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit for the year		<u>800,658,563</u>	<u>1,404,876,119</u>	<u>951,028,957</u>	<u>1,170,980,641</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on transaction of financial statements in foreign currencies		<u>(55,477,390)</u>	<u>(13,869,979)</u>	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		<u>(55,477,390)</u>	<u>(13,869,979)</u>	-	-
<i>Other comprehensive income not be reclassified to profit or loss in subsequent periods:</i>					
Actuarial gain (loss)	21	1,596,311	(13,060,376)	(1,098,709)	(2,723,301)
Less: Income tax effect	25	<u>(319,262)</u>	<u>2,612,075</u>	<u>219,742</u>	<u>544,660</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		<u>1,277,049</u>	<u>(10,448,301)</u>	<u>(878,967)</u>	<u>(2,178,641)</u>
Other comprehensive income for the year		<u>(54,200,341)</u>	<u>(24,318,280)</u>	<u>(878,967)</u>	<u>(2,178,641)</u>
Total comprehensive income for the year		<u><u>746,458,222</u></u>	<u><u>1,380,557,839</u></u>	<u><u>950,149,990</u></u>	<u><u>1,168,802,000</u></u>
Total comprehensive income attribution to					
Equity holders of the Company		1,190,745,056	1,479,691,100	<u>950,149,990</u>	<u>1,168,802,000</u>
Non-controlling interest of the subsidiaries		<u>(444,286,834)</u>	<u>(99,133,261)</u>		
Total comprehensive income for the year		<u><u>746,458,222</u></u>	<u><u>1,380,557,839</u></u>		

The accompanying notes are an integral part of the financial statements.

Carabao Group Public Company Limited and its subsidiaries

Consolidated statement of cash flows

For the year ended 31 December 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit before tax	1,061,215,075	1,683,088,847	975,767,506	1,179,912,711
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Dividend income from subsidiaries	-	-	(851,997,160)	(1,136,994,530)
Depreciation and amortisation	263,209,833	226,286,301	-	-
Allowance for doubtful accounts	1,384,682	-	-	-
Gain on sales of short-term investment in trading securities	(2,810,616)	(582,061)	(2,810,616)	(582,061)
Gain on changes in value of short-term investments in trading securities	(37,025)	(3,703,269)	(37,025)	(3,703,269)
Reduction cost of inventory to net realisable value	2,984,669	2,720,286	-	-
Gain on sales of equipment	(2,412,439)	(15,759,035)	-	-
Provision for long-term employee benefits	15,524,966	12,261,967	5,226,325	5,104,446
Realised and unrealised loss (gain) on exchange and forward exchange contract	(46,578,002)	15,129,036	3,972,156	341,697
Interest income	(3,436,132)	(27,562,317)	(143,387,226)	(75,593,877)
Interest expenses	41,353,943	392,877	50,459,692	654,110
Profit (loss) from operating activities before changes in operating assets and liabilities	1,330,398,954	1,892,272,632	37,193,652	(30,860,773)
Operating assets (increase) decrease				
Trade and other receivables	(400,732,722)	(125,573,732)	(3,677,379)	1,688,478
Inventories	(225,746,773)	(150,610,793)	-	-
Other current assets	(278,182,760)	(75,807,338)	(64,303)	(2,838)
Other non-current assets	(6,848,390)	(4,016,609)	-	-
Operating liabilities increase (decrease)				
Trade and other payables	263,661,488	222,434,271	(24,007,450)	29,842,130
Other current liabilities	(14,510,600)	(41,008,826)	168,000	(16,157,461)
Other non-current liabilities	1,228,830	2,872,127	-	-
Cash paid for long-term employee benefits	(1,483,000)	(1,132,000)	-	-
Cash flows from (used in) operating activities	667,785,027	1,719,429,732	9,612,520	(15,490,464)
Cash received from interest income	3,586,155	34,141,221	131,297,907	46,803,241
Cash paid for interest expenses	(38,179,775)	(88,798)	(49,659,840)	(88,798)
Cash paid for corporate income tax	(347,200,430)	(199,331,975)	(18,744,833)	(10,270,934)
Net cash flows from operating activities	285,990,977	1,554,150,180	72,505,754	20,953,045

The accompanying notes are an integral part of the financial statements.

Carabao Group Public Company Limited and its subsidiaries

Consolidated statement of cash flows (continued)

For the year ended 31 December 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from investing activities				
Increase in current investments	(1,207,000,000)	(585,000,000)	(1,207,000,000)	(585,000,000)
Cash received from sale of current investments	1,807,000,000	458,366,496	1,807,000,000	458,366,496
Increase in short-term loans to related parties	-	-	(4,424,339,413)	(3,561,000,000)
Cash received from repayment of short-term loans to related parties	-	-	3,918,625,000	2,918,000,000
Cash paid for investment in subsidiaries	-	-	(1,341,406,007)	(989,410,490)
Dividend income from subsidiaries	-	-	978,995,890	832,994,840
Proceeds from sales of equipment	3,854,530	17,499,716	-	-
Increase in investment properties	(104,000)	(27,965)	-	-
Cash paid for acquisition of plant and equipment	(2,978,598,855)	(2,142,387,872)	-	-
Cash paid for acquisition of intangible assets	(55,971,837)	(3,939,226)	(2,805,400)	-
Proceeds from deposits for rental	-	-	-	-
Net cash flows used in investing activities	(2,430,820,162)	(2,255,488,851)	(270,929,930)	(926,049,154)
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	95,000,000	750,000,000	(15,000,000)	750,000,000
Increase in short-term loans from non-controlling interests of the subsidiary	56,467,374	-	-	-
Increase in long-term loans from financial institutions	2,240,400,000	250,000,000	750,000,000	250,000,000
Increase in non-controlling interests of subsidiaries from joint investment	109,304,000	10,997,715	-	-
Dividend paid	(949,999,905)	(939,916,680)	(949,999,905)	(939,916,680)
Net cash flows from (used in) financing activities	1,551,171,469	71,081,035	(214,999,905)	60,083,320
Decrease in translation adjustments	(5,070,055)	(2,166,061)	-	-
Net decrease in cash and cash equivalents	(598,727,771)	(632,423,697)	(413,424,081)	(845,012,789)
Cash and cash equivalents at beginning of year	745,060,243	1,377,483,940	428,753,984	1,273,766,773
Effect of change in foreign exchange rate on cash at banks	435,009	-	-	-
Cash and cash equivalents at end of year	146,767,481	745,060,243	15,329,903	428,753,984
Supplemental disclosures of cash flows information				
Non-cash related transactions				
Increase in non-controlling interest of subsidiary from joint investment of subsidiary	-	325,636,755	-	-
Increase in payable for purchasing of plant and equipment	261,771,127	35,130,996	-	-
Increase in payable for purchasing of intangible assets	1,044,200	-	834,600	-
Increase in retention payable	337,500	-	-	-
Dividend payable	-	83,320	-	83,320
Transfer property, plant and equipment to investment properties - net	3,247,774	-	-	-

The accompanying notes are an integral part of the financial statements.

Carabao Group Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2017

(Unit: Baht)

Consolidated financial statements											
Equity attributable to owners of the Company											
	Note	Issued and fully paid-up share capital	Share premium	Surplus on business combination under common control	Surplus on changes in percentage of shareholding in subsidiaries	Retained earnings		Other components of equity Exchange differences on translation of financial statements in foreign currencies	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
						Appropriated - statutory reserve	Unappropriated				
Balance as at 1 January 2016		1,000,000,000	3,962,980,492	323,215,788	108,959,056	94,000,000	844,192,897	-	6,333,348,233	-	6,333,348,233
Profit for the year		-	-	-	-	-	1,489,755,815	-	1,489,755,815	(84,879,696)	1,404,876,119
Other comprehensive income for the year		-	-	-	-	-	(10,448,301)	383,586	(10,064,715)	(14,253,565)	(24,318,280)
Total comprehensive income for the year		-	-	-	-	-	1,479,307,514	383,586	1,479,691,100	(99,133,261)	1,380,557,839
Unappropriated retained earnings transferred											
to statutory reserve	22	-	-	-	-	6,000,000	(6,000,000)	-	-	-	-
Dividend paid	30	-	-	-	-	-	(940,000,000)	-	(940,000,000)	-	(940,000,000)
Increase in non-controlling interests of subsidiary from joint investment of subsidiary	12.4.3	-	-	-	-	-	-	-	-	325,636,755	325,636,755
Balance as at 31 December 2016		<u>1,000,000,000</u>	<u>3,962,980,492</u>	<u>323,215,788</u>	<u>108,959,056</u>	<u>100,000,000</u>	<u>1,377,500,411</u>	<u>383,586</u>	<u>6,873,039,333</u>	<u>226,503,494</u>	<u>7,099,542,827</u>
Balance as at 1 January 2017		1,000,000,000	3,962,980,492	323,215,788	108,959,056	100,000,000	1,377,500,411	383,586	6,873,039,333	226,503,494	7,099,542,827
Profit for the year		-	-	-	-	-	1,245,811,776	-	1,245,811,776	(445,153,213)	800,658,563
Other comprehensive income for the year		-	-	-	-	-	1,277,049	(56,343,769)	(55,066,720)	866,379	(54,200,341)
Total comprehensive income for the year		-	-	-	-	-	1,247,088,825	(56,343,769)	1,190,745,056	(444,286,834)	746,458,222
Dividend paid	30	-	-	-	-	-	(950,000,000)	-	(950,000,000)	-	(950,000,000)
Increase in non-controlling interests of subsidiary from joint investment	12.5.3	-	-	-	-	-	-	-	-	109,304,000	109,304,000
Balance as at 31 December 2017		<u>1,000,000,000</u>	<u>3,962,980,492</u>	<u>323,215,788</u>	<u>108,959,056</u>	<u>100,000,000</u>	<u>1,674,589,236</u>	<u>(55,960,183)</u>	<u>7,113,784,389</u>	<u>(108,479,340)</u>	<u>7,005,305,049</u>

The accompanying notes are an integral part of the financial statements.

Carabao Group Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2017

(Unit: Baht)

	Separate financial statements					Total	
	Note	Issued and fully paid-up share capital	Share premium	Surplus on changes in percentage of shareholding in a subsidiary	Retained earnings		
					Appropriated - statutory reserve		Unappropriated
Balance as at 1 January 2016		1,000,000,000	3,962,980,492	108,959,056	94,000,000	541,157,533	5,707,097,081
Profit for the year		-	-	-	-	1,170,980,641	1,170,980,641
Other comprehensive income for the year		-	-	-	-	(2,178,641)	(2,178,641)
Total comprehensive income for the year		-	-	-	-	1,168,802,000	1,168,802,000
Appropriated - statutory reserve	22	-	-	-	6,000,000	(6,000,000)	-
Dividend paid	30	-	-	-	-	(940,000,000)	(940,000,000)
Balance as at 31 December 2016		<u>1,000,000,000</u>	<u>3,962,980,492</u>	<u>108,959,056</u>	<u>100,000,000</u>	<u>763,959,533</u>	<u>5,935,899,081</u>
Balance as at 1 January 2017		1,000,000,000	3,962,980,492	108,959,056	100,000,000	763,959,533	5,935,899,081
Profit for the year		-	-	-	-	951,028,957	951,028,957
Other comprehensive income for the year		-	-	-	-	(878,967)	(878,967)
Total comprehensive income for the year		-	-	-	-	950,149,990	950,149,990
Dividend paid	30	-	-	-	-	(950,000,000)	(950,000,000)
Balance as at 31 December 2017		<u>1,000,000,000</u>	<u>3,962,980,492</u>	<u>108,959,056</u>	<u>100,000,000</u>	<u>764,109,523</u>	<u>5,936,049,071</u>

The accompanying notes are an integral part of the financial statements.

Carabao Group Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2017

1. General information

Carabao Group Public Company Limited (“the Company”) is incorporated as a limited company on 28 August 2013 and domiciled in Thailand, and registered the change of its status to a public limited company under The Public Limited companies Act on 8 July 2014. The Company is principally engaged in the investment in subsidiaries. The registered office of the Company is at 393 Silom Building 393, 7 - 10 Floor, Silom Road, Silom, Bangrak, Bangkok.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Carabao Group Public Company Limited (“the Company”) and the following subsidiaries (“the subsidiaries”) as follows:

Company's name	Nature of business	Country	Percentage of shareholding		
			2017	2016	
<u>Held by the Company</u>					
Carabao Tawandang Co., Ltd.	Manufacture and distribution of beverage	Thailand	100	100	
Asia Pacific Glass Co., Ltd.	Manufacture and distribution of bottles and glass products	Thailand	100	100	
Tawandang DCM Co., Ltd.	Distribution of management	Thailand	100	100	
Asia Can Manufacturing Co., Ltd. (formerly known as “Asia Pacific Can Co., Ltd.”)	Manufacture distribution of aluminum can	Thailand	74	-	
Carabao Holdings (Hong Kong) Limited	Investment	Hong Kong	100	100	
Carabao Trading (Hong Kong) Limited	Trading business in overseas	Hong Kong	100	100	

Company's name	Nature of business	Country	Percentage of shareholding	
			2017	2016
<u>Held by the subsidiaries</u>				
Carabao Venture Holdings (Luxembourg) S.à r.l.	Investment	Luxembourg	51	51
Intercarabao Limited	Trading business in overseas	England	51	51
Carabao Venture Holdings (Hong Kong) Limited	Investment	Hong Kong	90	-

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing at the end of reporting period, and revenues and expenses are translated using monthly average exchange rate. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
- f) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- h) For the books of account, upon acquisition of additional shares of subsidiaries (repurchase shares from minority interest), the excess of cost of the investment at the acquisition date over the fair value of the net asset has been presented as shareholders’ equity in the consolidated statement of financial position under “Surplus on changes in percentage of shareholding in a subsidiary”.

2.3 The separate financial statements, which present investments in subsidiaries under the cost method.

3. New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of the revised financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

This standard will not have any significant impact on the Company and its subsidiaries' financial statements because the management has decided to continue accounting for such investments under the cost method in the separate financial statements.

(b) Financial reporting standards that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

The management of the Company and its subsidiaries believe that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Management income

Management income are recognised proportionately over the term of the agreements.

Rental and service income

Rental and service income are recognised proportionately over the term of the rental and service agreements.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

Other income

Other income is recognised on an accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.4 Inventories

Finished goods and work in process are valued at the lower of cost (under the first-in, first-out method) and net realisable value, and includes all production costs and attributable factory overheads.

Raw materials, chemicals, spare parts and factory supplies are valued at the lower of cost (under first-in, first-out method) and net realisable value and are charged to production costs whenever consumed.

4.5 Investments

a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.

b) Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

In the event the Company and its subsidiaries reclassify investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date.

The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending as the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 30 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.7 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of building and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Land improvement	5 - 20 years
Buildings and building improvement	5 - 50 years
Machinery and equipment	5 - 20 years
Furniture, fixtures and office equipment	3 - 5 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction and installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.9 Intangible assets

Intangible assets are stated at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Summary of the intangible assets with finite useful lives is as follows

	<u>Useful lives</u>
Trademarks	10 years
Patents	10 years
Computer software	3 - 5 years

Intangible assets with indefinite useful lives, which is knowhow for manufacturing, are not amortised, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

No amortisation is provided on intangible assets under development.

4.10 Business combinations and goodwill

Business combinations are accounted for using the acquisition method with the cost of the acquisition being the fair value at the acquisition date of consideration transferred, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest, if any, in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related cost are accounted for as expenses in the periods in which the costs are incurred and the services are received.

Goodwill is initially recorded at cost, which equal to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is subsequently carried at cost less any accumulated impairment losses with impairment being tested annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.11 Related party transactions

Related parties comprise enterprises and individuals or enterprises that control, or are controlled by, the Company and its subsidiaries, whether directly or indirectly, or which are under common control with the Company and its subsidiaries.

They also include enterprises and individuals, and individuals or enterprises which directly or indirectly own a voting interest in the Company and its subsidiaries that gives them significant influence over the Company and its subsidiaries, key management personnel, directors, and officers with authority in the planning and direction of the Company and its subsidiaries operations.

4.12 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the asset.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.13 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items included in the consolidated financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.14 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carry out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of an asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and its subsidiaries estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.15 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

4.16 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.17 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.18 Derivatives

Forward exchange contracts

At each reporting date, the subsidiary recognises the changes in fair value of forward exchange rate for the undue foreign exchange forward contracts as revenue or expense in the income statement.

4.19 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Decreasing in net realisable value of inventories

Determining the decrease in the net realisable value of inventories requires management to exercise judgement in term of estimating losses on outstanding inventories, based on the selling price expected in the ordinary course of business less the estimated additional costs to be incurred in preparing the inventory for sale; and provision for obsolete, slow-moving and deteriorated inventories, and taking into account the approximate useful life of each type of inventory.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Goodwill

The initial recognition and measurement of goodwill, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing Policy
	financial statements		financial statements		
	2017	2016	2017	2016	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Dividend income	-	-	2	7	At the declared rate
Management income	-	-	2	0	Contract price
Interest income	-	-	2	9	Contract price
Rental and services expenses	-	-	3	3	Contract price
Other income	-	-	1	-	Market price
<u>Transactions with related parties</u>					
Purchase of goods	7	5	-	-	Market price
Sales of goods	9	4	-	-	Market price
Promotion expenses	5	5	-	-	Contract price/ Mutually agree price
Other expenses	4	4	-	-	Mutually agree price
Service income	7	5	-	-	Contract price
Rental income	5	4	-	-	Contract price
Other income	2	2	-	-	Market price

As at 31 December 2017 and 2016, the balances of the accounts between the Company and those related companies are as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Trade and other receivables - related parties (Note 9)</u>				
Subsidiaries	-	-	58,005	43,011
Related companies (related by shareholders and directors)	17,213	13,748	-	-
Total trade and other receivables - related parties	<u>17,213</u>	<u>13,748</u>	<u>58,005</u>	<u>43,011</u>
<u>Dividend receivable - related parties (Note 30)</u>				
Subsidiaries	-	-	599,998	726,997
Total dividend receivable - related parties	<u>-</u>	<u>-</u>	<u>599,998</u>	<u>726,997</u>
<u>Other long-term receivable - related party</u>				
Subsidiary	-	-	26,172	26,172
Total other long-term receivable - related party	<u>-</u>	<u>-</u>	<u>26,172</u>	<u>26,172</u>
<u>Other non-current assets - related party</u>				
Related company (related by shareholders and directors)	-	34	-	-
Total other non-current assets - related party	<u>-</u>	<u>34</u>	<u>-</u>	<u>-</u>
<u>Trade and other payables - related parties (Note 17)</u>				
Subsidiaries	-	-	-	10,990
Related companies (related by shareholders, directors and individuals)	17,400	14,450	-	-
Total trade and other payables - related parties	<u>17,400</u>	<u>14,450</u>	<u>-</u>	<u>10,990</u>
<u>Deposits received for rental - related parties</u>				
Related companies (related by shareholders and directors)	2,757	1,528	-	-
Total deposits received for rental - related parties	<u>2,757</u>	<u>1,528</u>	<u>-</u>	<u>-</u>

As at 31 December 2017 and 2016, the balance of short-term loans between the Company and those related parties and the movement are as follows:

Short-term loans to related parties

(Unit: Thousand Baht)

Loans to related parties	Related by	Separate financial statements				Balance as at 31 December 2017
		Balance as at 31 December 2016	Increase during the period	Decrease during the period	Gain on exchange	
Carabao Tawandaeng Co., Ltd.	Subsidiary	3,218,000	3,773,000	(3,556,000)	-	3,435,000
Asia Pacific Glass Co., Ltd.	Subsidiary	50,000	276,000	(147,000)	-	179,000
Intercarabao Limited	Subsidiary	-	327,570	(215,625)	(3,145)	108,800
Carabao Trading (Hong Kong) Limited	Subsidiary	-	47,769	-	(1,183)	46,586
		<u>3,268,000</u>	<u>4,424,339</u>	<u>(3,918,625)</u>	<u>(4,328)</u>	<u>3,769,386</u>

As at 31 December 2017, short-term loans to related parties are in from of promissory notes which charged interest rate at 3.5 - 5.0 percent per annum (2016: 2.1 - 3.5 percent per annum).

Directors and management's benefits

During the years ended 31 December 2017 and 2016, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Short-term employee benefits	143	136	143	136
Post-employment benefits	4	5	4	5
Total	<u>147</u>	<u>141</u>	<u>147</u>	<u>141</u>

Guarantee obligation

As at 31 December 2017, the Company has guarantee obligations on credit facilities of the two subsidiaries, as described in Note 31.5.1 to the financial statements and guarantee obligations on loan of a subsidiary, as described in Note 31.5.2 to the financial statements.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash	200	200	10	10
Bank deposits	146,567	744,860	15,320	428,744
Total cash and cash equivalents	<u>146,767</u>	<u>745,060</u>	<u>15,330</u>	<u>428,754</u>

As at 31 December 2017, bank deposits in saving accounts and fixed deposits carried interests between 0.01 and 0.38 percent per annum (31 December 2016: 0.01 and 0.40 percent per annum).

8. Current investments

8.1 As at 31 December 2017 and 2016, current investments consisted of the following:

(Unit: Thousand Baht)

	Consolidated/separate financial statements	
	<u>2017</u>	<u>2016</u>
Short-term investments in trading securities (Note 8.2)	7,130	604,282
Total current investment	<u>7,130</u>	<u>604,282</u>

8.2 As at 31 December 2017, short-term investments in trading securities are summarised below.

(Unit: Thousand Baht)

	Consolidated/separate financial statements	
	<u>Cost</u>	<u>Fair value</u>
Open-ended fund in debt instruments of a financial institution	7,093	7,130
Add: Gain on change in value	37	
Total short-term investments in trading securities	<u>7,130</u>	

Movement of short-term investments in trading securities for the year ended 31 December 2017 and 2016 as summarised below.

	(Unit: Thousand Baht)	
	Consolidated/separate financial statements	
	<u>2017</u>	<u>2016</u>
Net book value at beginning of year	604,282	214,812
Cash paid for short-term investments in trading securities		
during the year- at cost	1,207,000	585,000
Sales during the year		
Proceeds from sales	(1,807,000)	(199,815)
Gain on sales	2,811	582
Total	(1,804,189)	(199,233)
Gain on change in value	37	3,703
Net book value at end of year	<u>7,130</u>	<u>604,282</u>

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	12,475	13,595	-	-
Total trade receivables - related parties	12,475	13,595	-	-
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	615,512	411,187	-	-
Past due				
Not over 3 months	99,845	10,216	-	-
3 - 6 months	28,958	65	-	-
Over 12 months	-	310	-	-
Total trade receivables - unrelated parties	744,315	421,778	-	-
Less: Allowance for doubtful debts	(1,394)	(310)	-	-
Total trade receivables - unrelated parties - net	742,921	421,468	-	-
Total trade receivables - net	755,396	435,063	-	-

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	<u>Other receivables</u>			
Other receivables - related parties	4,526	10	2,776	25
Other receivables - unrelated parties	7,398	9,450	-	-
Accrued income - related parties	212	143	55,229	42,986
Accrued income - unrelated parties	128	2,808	1	140
Prepaid expenses	178,449	68,256	1,154	228
Prepayment for purchase of goods	-	31,835	-	-
Advances	1,308	11,938	-	-
Excise tax receivables	12,079	-	-	-
Others	365	2,073	-	-
Total other receivables	<u>204,465</u>	<u>126,513</u>	<u>59,160</u>	<u>43,379</u>
Total trade and other receivables	<u>959,861</u>	<u>561,576</u>	<u>59,160</u>	<u>43,379</u>

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Finished goods	350,976	242,352	(1,290)	(1,098)	349,686	241,254
Work in process	3,675	1,556	-	-	3,675	1,556
Raw materials	218,034	107,737	-	-	218,034	107,737
Packing materials	50,918	54,401	(8)	(8)	50,910	54,393
Spare parts and factory supplies	33,961	28,564	-	-	33,961	28,564
Total	<u>657,564</u>	<u>434,610</u>	<u>(1,298)</u>	<u>(1,106)</u>	<u>656,266</u>	<u>433,504</u>

During the current year, the subsidiary reduced cost of inventories by Baht 3.0 million (2016: Baht 2.7 million), to reflect the net realisable value. In addition, the subsidiary reversed the write-down of cost of inventories by Baht 2.8 million (2016: Baht 2.1 million). This was included in cost of sales.

11. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
VAT receivables	354,322	92,513	-	-
Undue input VAT	22,323	5,413	67	3
Supplies for market promotion	9,141	10,050	-	-
Others	3,388	2,506	-	-
Total other current assets	389,174	110,482	67	3

12. Investments in subsidiaries

12.1 Investments in subsidiaries presented in the separate financial statements are as follows:

Company's name	Nature of business	Paid-up capital		Percentage of shareholding		Cost method		Dividend received during the year	
		2017 (Thousand Baht)	2016 (Thousand Baht)	2017 (Percent)	2016 (Percent)	2017 (Thousand Baht)	2016 (Thousand Baht)	2017 (Thousand Baht)	2016 (Thousand Baht)
Local subsidiaries									
Carabao Tawandang Co., Ltd.	Manufacture and distribution of beverage	300,000	300,000	100	100	408,958	408,958	851,997	884,997
Asia Pacific Glass Co., Ltd.	Manufacture and distribution of glass bottles and products	1,299,998	1,099,995	100	100	1,299,998	1,099,993	-	162,000
Tawandang DCM Co., Ltd.	Distribution management	100,000	100,000	100	100	99,998	99,998	-	89,998
Asia Can Manufacturing Co., Ltd. (formerly known as "Asia Pacific Can Co., Ltd.")	Manufacture and distribution of aluminum can	420,400	-	74	-	311,096	-	-	-
Overseas subsidiaries									
Carabao Holdings (Hong Kong) Limited	Investment	USD 34 million	USD 10 million	100	100	1,178,611	348,306	-	-
Carabao Trading (Hong Kong) Limited	Trading business in overseas	USD 50,000	USD 50,000	100	100	1,758	1,758	-	-
Total						3,300,419	1,959,013	851,997	1,136,995

12.2 Details of investments in subsidiaries that have material non-controlling interests

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Loss allocated to non-controlling interests during the year	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	(Percent)	(Percent)				
Carabao Venture Holdings (Luxembourg) S.à r.l. and its subsidiary (Subsidiary of Carabao Holdings (Hong Kong) Limited)	49	49	(216.8)	226.5	(444.1)	(84.9)
Asia Can Manufacturing Co., Ltd. (Subsidiary)	26	-	108.3	-	(1.1)	-

12.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling

Summarised information about financial position

(Unit: Million Baht)

	Carabao Venture Holdings (Luxembourg) S.à r.l. and its subsidiary		Asia Can Manufacturing Co., Ltd.	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current assets	257.3	77.6	85.8	-
Non-current assets	553.0	540.1	808.0	-
Current liabilities	1,247.6	142.3	66.6	-

Summarised information about profit and loss

(Unit: Million Baht)

	Carabao Venture Holdings (Luxembourg) S.à r.l. and its subsidiary		Asia Can Manufacturing Co., Ltd.	
	For the years ended 31 December		For the years ended 31 December	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Loss	(906.4)	(173.2)	(4.0)	-

12.4 Investments in subsidiary companies which the Company previously held

12.4.1 The Company established Carabao Holdings (Hong Kong) Limited (CHHK), incorporated in Hong Kong. The subsidiary is principally engaged in investment in overseas companies, with a registered share capital of USD 10 million, comprising 10 million ordinary shares. The Company holds 100 percent interest in this company. The subsidiary has registered its establishment on 5 September 2016.

Subsequently on 23 January 2017, the meeting of the Board of Directors of CHHK passed a resolution to increase its registered share capital from USD 10 million to USD 20 million, comprising 20 million ordinary shares. The Company had already made the payment for share subscription. The subsidiary registered such share capital increase on 1 February 2017.

Subsequently on 19 May 2017, the meeting of the Board of Directors of CHHK passed a resolution to increase its registered share capital from USD 20 million to USD 26 million, comprising 26 million ordinary shares. The Company had already made the payment for share subscription. The subsidiary registered such share capital increase on 19 May 2017.

Subsequently on 18 August 2017, the meeting of the Board of Directors of CHHK passed a resolution to increase its registered share capital from USD 26 million to USD 34 million, comprising 34 million ordinary shares. The Company had already made the payment for share subscription. The subsidiary registered such share capital increase on 18 August 2017.

12.4.2 The Company established Carabao Trading (Hong Kong) Limited, incorporated in Hong Kong. The subsidiary is principally engaged in distribution in overseas, with a registered share capital of USD 50,000, comprising 50,000 ordinary shares. The Company holds 100 percent interest in this company. The subsidiary has registered its establishment on 8 November 2016. As at 31 December 2016, the Company had not yet made a payment for such share subscription. However, in the current year, the Company already paid for shares.

12.4.3 CHHK entered into a joint-venture agreement with Intercarabao Private Limited (ICSG), which is incorporated in Singapore and has no relationship with the Company and its subsidiaries, to establish Carabao Venture Holdings (Luxembourg) S.à r.l. (CVHLUX), the Company's new subsidiary company in Luxembourg with shareholding interest of 51 percent and 49 percent, respectively. The subsidiary is principally engaged in investment in overseas companies with a registered share capital of EUR 16.9 million, comprising 16.9 million shares with EUR 1 par value each. CHHK paid for share subscription of approximately EUR 8.6 million by cash and ICSG paid for share subscription of approximately EUR 8.3 million by transferring its investment in share capital of Intercarabao Limited (ICUK), which is incorporated in England and 100 percent interest in which was formerly held by ICSG. On 30 September 2016, CVHLUX completed the registration of its establishment.

As a result, the Company has control over CVHLUX via its indirect holding of 51 percent interest through CHHK.

On 5 October 2016, CVHLUX purchased the additional ordinary shares of ICUK by the amount of GBP 7.3 million, comprising 7.3 million shares with GBP 1 par value each. CVHLUX had made full payment for subscription of the additional shares. In addition, ICUK registered the appointment of new board of directors whose members are mainly in the board of directors of CVHLUX. Thus, the Company has control over the business plans and policies of ICUK through its Boards of Directors and it has classified the investment in ICUK as the investment in subsidiary company since the date it obtained the control.

The Company assessed the fair value of identifiable assets acquired and liabilities assumed at the acquisition date. The assessment was completed in the fourth quarter of 2016 and within the period of twelve months from the acquisition date allowed by Thai Financial Reporting Standard No. 3 (revised 2015) "Business Combinations".

Fair values of the identifiable assets acquired and liabilities assumed from Intercarabao Limited as at the acquisition date were summarised below.

	(Unit: Thousand Baht)
Cash and cash equivalents	336,200
Trade and other receivables	17,371
Inventories	36,640
Other current assets	17,864
Equipment	1,982
Trade and other payables	(305,009)
Other current liabilities	(1,969)
Fair value of net assets	<u>103,079</u>
Cost of acquisition of joint investment in subsidiary	<u>(642,428)</u>
Goodwill as at the acquisition date	539,349
Translation adjustment	<u>(3,284)</u>
Goodwill as at 31 December 2016	<u><u>536,065</u></u>

Movement in the goodwill account during the year ended 31 December 2017 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 31 December 2016	536,065
Add: Translation adjustment	<u>(598)</u>
Net book value as at 31 December 2017	<u><u>535,467</u></u>

12.4.4 On 28 June 2017, Asia Pacific Glass Co., Ltd. (a subsidiary) called up the remaining uncalled portion of its registered capital, amounting to Baht 200 million, and the Company has made full payment of the shares. As a result, investment in this subsidiary has increased from Baht 1,100 million to Baht 1,300 million.

12.4.5 On 14 November 2017, the meeting of the Company's Board of Directors passed a resolution to approve Carabao Venture Holdings (Luxembourg) S.à r.l. (CVHLUX) (a subsidiary) in increasing its registered share capital in the amount not exceeding GBP 40.3 million or EUR 45.4 million in order to support the operation of Intercarabao Limited (ICUK) (another subsidiary) through the process as follows:

- 1) Issue and offer new ordinary shares to existing shareholders in proportion to their holdings in the amount not exceeding GBP 19.5 million or EUR 22.0 million. However, Intercarabao Private Limited (ICSG), another shareholder of CVHLUX, has notified of its intention not to purchase new ordinary shares of CVHLUX in proportion to its holding in full.
- 2) Convert debt from loans from Carabao Holdings (Hong Kong) Limited (CHHK) and Intercarabao Private Limited (ICSG) into equity in the amount not exceeding GBP 20.8 million or EUR 23.4 million.

Such subsidiary registered the share capital increase on 8 January 2018, as described in Note 35.3.

12.4.6 On 14 November 2017, the meeting of the Company's Board of Directors passed a resolution to approve Carabao Holdings (Hong Kong) Limited (CHHK) in increasing its registered share capital in the amount not exceeding GBP 19.5 million or USD 26.5 million in order to pay for the new ordinary shares of CVHLUX as mentioned in Note 12.4.5.

Such subsidiary registered the share capital increase on 5 January 2018, as described in Note 35.2.

12.5 Investments in new subsidiary companies

12.5.1 On 22 February 2017, the meeting of the Company's Board of Directors passed a resolution to approve CHHK in joining ICSG to establish a new subsidiary in Hong Kong, namely Carabao Venture Holdings (Hong Kong) Limited (CVHHK) with shareholding interest of 90 percent and 10 percent, respectively. The subsidiary is principally engaged in investment in overseas companies with a registered capital equivalent to the amount of not exceeding USD 19.7 million, comprising 19.7 million shares. On 2 March 2017, CVHHK completed the registration of its establishment. As a result, the Company has control over CVHHK via its indirect holding of 90 percent interest through CHHK.

12.5.2 On 22 February 2017, the meeting of the Company's Board of Directors passed a resolution to approve CVHHK in entering into the joint venture agreements with a group of Chinese business partners ("DAI Group") and establishing joint venture companies under various jurisdictions ("JV Group") for the objectives of conducting business operations in marketing, sales and distributions of energy drinks under Carabao trademark in Hong Kong, Macau, Taiwan and the People's Republic of China with the project value equivalent to the amount of not exceeding USD 40 million in the initial phase ("Greater China Investment Project"). In respect of shareholding structure in the JV Group, CVHHK will invest and hold both directly and indirectly 45 percent - 49 percent shares while the DAI Group and a group of Chinese professional management in food and beverage industry will invest and hold both directly and indirectly 46 percent - 51 percent and no greater than 5 percent shares, respectively.

Subsequently, on 25 April 2017, the meeting of the Company's Board of Directors passed a resolution to withdrawal from the joint venture agreements, which in turn shall serve as the basis for the Company and its subsidiaries to involve the transactions as set out below.

- 1) CHHK shall no longer pursue the process of capital increase deemed relevant to the project;
- 2) CVHHK withdraws from the act of entering into the joint venture agreements with the DAI Group. In doing so, CVHHK shall call off the process of capital increase and subsequently become a dormant company.

In addition, the meeting of the Company's Board of Directors passed a resolution to approve as follows:

- 1) To approve Carabao Tawandang Co., Ltd. (a subsidiary) in entering into an agreement with New Investor Group (incorporated by the Company's major shareholder group and a group of Chinese business partners) to grant right to be an exclusive distributor of energy drinks in Hong Kong, Macau, Taiwan and the People's Republic of China as well as licensee of trademarks deemed related thereto for an advantage of such business operations.
- 2) To approve the Company in entering into an agreement with the New Investor Group such that the Company gain its eligibility to buy all shares that the New Investor Group will invest and hold both directly and indirectly shares in the HOLDING SPV (Right to Purchase Agreement) at a fair value to be determined by the independent appraiser as well as in accordance with other terms and conditions in respect of share acquisition under the said agreement.

However, the Company and such subsidiary have not yet entered into such agreements.

Subsequently, on 6 October 2017, CVHHK has already submitted for deregistration and is in process of legal of Hong Kong.

12.5.3 On 29 March 2017, the meeting of the Company's Board of Directors passed a resolution to establish Asia Pacific Can Co., Ltd. (a new subsidiary), in corporate in Thailand. The subsidiary is principally engaged in the manufacture of aluminum cans used as packaging materials with a registered share capital of Baht 1 million, comprising 10,000 ordinary shares of Baht 100 each. The project is under the joint venture agreement between the Company and overseas unrelated group of company, with shareholding interest of 74 percent and 26 percent, respectively. The subsidiary has registered its establishment on 15 June 2017.

On 3 July 2017, the Extraordinary General Meeting of shareholders of Asia Pacific Can Co., Ltd. (a subsidiary) passed a resolution to increase its registered share capital from Baht 1 million (10,000 ordinary shares of Baht 100 each) to Baht 700 million (7,000,000 ordinary shares of Baht 100 each) through the issuance of additional 6,990,000 ordinary shares of Baht 100 each, called up Baht 60 each. The Company had already made the payment for share subscription on 5 July 2017. As a result, the issued and paid-up share capital of the subsidiary is Baht 420 million (10,000 ordinary shares of Baht 100 each, fully paid up and 6,990,000 ordinary shares of Baht 100 each, paid up Baht 60 each). The subsidiary registered such share capital increase with the Ministry of Commerce on 7 July 2017.

On 20 November 2017, the Extraordinary General Meeting of shareholders of Asia Pacific Can Co., Ltd. approved to change the Company's name from "Asia Pacific Can Co., Ltd." to "Asia Can Manufacturing Co., Ltd.". The subsidiary registered with the Ministry of Commerce for the change of its name on 1 December 2017.

12.5.4 On 11 August 2017, the meeting of the Company's Board of Directors passed a resolution to approve an establishment of a subsidiary in Thailand for engaging in the logistic business with a registered capital not exceeding Baht 100 million. However, as at 31 December 2017, the Company have not yet established such subsidiary.

12.6 Goodwill

The company has determined recoverable amounts of its cash generating units (CGUs) based on value in use calculation using cash flow projections from financial budgets approved by the management covering a five-year period.

Key assumptions used in value in use calculations under conservative basis summarise as follows:

	(Unit: Percent per annum)
Terminal growth rate	3.0
Discount rate	17.5

The management has considered the growth rate from policy, business plan, expected overall market growth rate, and discount rate which are the rates before income tax which relate to the specific risk in that operating segment.

The management has considered and believed that no impairment was required for goodwill.

13. Investment properties

The net book value of investment properties as at 31 December 2017 and 2016 is presented below.

	(Unit: Thousand Baht)
	Consolidated financial statements
	<u>Office building for rent</u>
As at 31 December 2017:	
Cost	122,876
Less: Accumulated depreciation	<u>(19,713)</u>
Net book value	<u>103,163</u>
As at 31 December 2016:	
Cost	118,985
Less: Accumulated depreciation	<u>(15,137)</u>
Net book value	<u>103,848</u>

A reconciliation of the net book value of investment properties for the years 2017 and 2016 is presented below.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2017</u>	<u>2016</u>
Net book value at beginning of year	103,848	107,793
Acquisition during the year - at cost	104	28
Transfers from property, plant and equipment	3,248	-
Depreciation for the year	<u>(4,037)</u>	<u>(3,973)</u>
Net book value at end of year	<u>103,163</u>	<u>103,848</u>

The fair value of the office building of the subsidiary as at 31 December 2017 was determined at approximately Baht 186.2 million (2016: Baht 181.7 million) using the income approach. The assumption used in the valuation was based on the subsidiary's data.

14. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements

	Land and land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction and installation	Total
Cost:							
As at 1 January 2016	2,650,095	826,216	1,745,793	62,445	195,820	3,113	5,483,482
Increase from joint investment of subsidiary	-	-	-	418	1,684	-	2,102
Additions	212,687	3,066	27,654	25,862	24,675	1,883,314	2,177,258
Capitalised interest	-	-	-	-	-	261	261
Disposals	-	-	(12,187)	(1,936)	(38,114)	-	(52,237)
Transfers	-	7,548	7,871	432	-	(15,851)	-
Translation adjustment	-	-	-	(2)	(10)	-	(12)
As at 31 December 2016	2,862,782	836,830	1,769,131	87,219	184,055	1,870,837	7,610,854
Additions	13,013	27,031	44,736	33,883	25,361	3,068,830	3,212,854
Capitalised interest	-	-	-	-	-	27,854	27,854
Disposals	-	-	(3,046)	(1,921)	(8,677)	-	(13,644)
Transfers	3,895	1,102,551	1,755,616	8,138	4,533	(2,874,733)	-
Transfers to investment property	-	(3,787)	-	-	-	-	(3,787)
Translation adjustment	-	-	-	59	(2)	-	57
As at 31 December 2017	2,879,690	1,962,625	3,566,437	127,378	205,270	2,092,788	10,834,188

(Unit: Thousand Baht)

Consolidated financial statements

	Land and land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction and installation	Total
Accumulated depreciation:							
As at 31 December 2016	3,881	159,715	493,012	26,445	133,419	-	816,472
Increase from joint investment of subsidiary	-	-	-	85	35	-	120
Depreciation for the year	2,658	45,808	130,513	14,193	24,696	-	217,868
Accumulated depreciation of disposed assets	-	-	(11,156)	(1,212)	(38,128)	-	(50,496)
Translation adjustment	-	-	-	(1)	-	-	(1)
As at 31 December 2016	6,539	205,523	612,369	39,510	120,022	-	983,963
Depreciation for the year	2,765	58,155	146,830	19,489	26,776	-	254,015
Accumulated depreciation of disposed assets	-	-	(2,828)	(1,314)	(8,060)	-	(12,202)
Transfers to investment property	-	(539)	-	-	-	-	(539)
Translation adjustment	-	-	-	9	2	-	11
As at 31 December 2017	9,304	263,139	756,371	57,694	138,740	-	1,225,248
Net book value:							
As at 31 December 2016	2,856,243	631,307	1,156,762	47,709	64,033	1,870,837	6,626,891
As at 31 December 2017	2,870,386	1,699,486	2,810,066	69,684	66,530	2,092,788	9,608,940
Depreciation for the year							
2016 (Baht 177.5 million included in manufacturing cost, and the balance in selling and administrative expenses)							217,868
2017 (Baht 206.7 million included in manufacturing cost, and the balance in selling and administrative expenses)							254,015

As at 31 December 2017, certain plant and equipment items of a subsidiary have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 427.4 million (2016: Baht 365.0 million).

During the year 2017, three subsidiaries (2016: a subsidiary) capitalised interest amounting to Baht 27.9 million (2016: Baht 0.3 million) to the costs of assets. These borrowing costs arose on loans obtained for specific purpose for the construction of plant and acquisition of machinery.

15. Intangible assets

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Trademark	Patents	Computer software	Knowhow for manufacturing	Intangible assets under development	Total
31 December 2017:						
Cost	10,000	10,000	24,291	49,986	3,640	97,917
Less: Accumulated amortisation	(7,000)	(10,000)	(13,910)	-	-	(30,910)
Net book value	<u>3,000</u>	<u>-</u>	<u>10,381</u>	<u>49,986</u>	<u>3,640</u>	<u>67,007</u>
31 December 2016:						
Cost	10,000	10,000	20,901	-	-	40,901
Less: Accumulated amortisation	(6,000)	(10,000)	(9,750)	-	-	(25,750)
Net book value	<u>4,000</u>	<u>-</u>	<u>11,151</u>	<u>-</u>	<u>-</u>	<u>15,151</u>
					(Unit: Thousand Baht)	
					Separate	
					financial statements	
					Intangible assets	
					under development	
31 December 2017:						
Cost						3,640
Less: Accumulated amortisation						-
Net book value						<u>3,640</u>

A reconciliation of the net book value of intangible assets for the years 2017 and 2016 is presented below.

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Net book value at beginning of year	15,151	15,655	-	-
Acquisition during the year	57,016	3,939	3,640	-
Amortisation for the year	(5,158)	(4,445)	-	-
Translation adjustment	(2)	2	-	-
Net book value at end of year	<u>67,007</u>	<u>15,151</u>	<u>3,640</u>	<u>-</u>

16. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Short-term loans from financial institutions	<u>845,000</u>	<u>750,000</u>	<u>735,000</u>	<u>750,000</u>
Total short-terms loans from financial institutions	<u>845,000</u>	<u>750,000</u>	<u>735,000</u>	<u>750,000</u>

The short-term loans from financial institutions carry interest at a reference fix loan rate of commercial banks. The loans are unsecured loans and no any certain conditions of restrictions stipulated in the agreements.

17. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Trade payables - related parties	16,762	12,545	-	-
Trade payables - unrelated parties	987,902	751,335	-	-
Other payables - related parties	638	1,905	-	10,990
Other payables - unrelated parties	457,896	215,362	20,381	21,052
Accrued expenses - unrelated parties	261,445	295,835	32,754	43,807
Accrued excise tax	127,627	-	-	-
Advance received	44,927	88,058	-	-
Total trade and other payables	<u>1,897,197</u>	<u>1,365,040</u>	<u>53,135</u>	<u>75,849</u>

18. Short-term loan from non-controlling interests of the subsidiary

This short-term loan was from Intercarabao Private Limited (ICSG) which was non-controlling interests of the subsidiary in overseas. As at 31 December 2017, this loan has outstanding balance of Baht 57.1 million, carries interest at fix rate and is due at call.

19. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Liabilities under forward exchange				
contracts	-	15,470	-	-
Undue output VAT	478	362	168	-
Others	12,054	11,202	-	-
Total other current liabilities	<u>12,532</u>	<u>27,034</u>	<u>168</u>	<u>-</u>

20. Long-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Long-term loans	2,490,400	250,000	1,000,000	250,000
Less: Portion due within one year	<u>(300,000)</u>	<u>-</u>	<u>(300,000)</u>	<u>-</u>
Long-term loans - net of current portion	<u>2,190,400</u>	<u>250,000</u>	<u>700,000</u>	<u>250,000</u>

On 26 December 2016, the Company had entered into long-term loan agreement with a financial institution with a given credit facilities of Baht 1,000 million, fully drawn down on which interest is charged at the Minimum Loan Rate (MLR) reference rate minus a margin. The loan is repayable in 10 periods by three-month installments, with the first of these due in June 2018. This long-term loan is unsecured and no any certain conditions or restrictions stipulated in the agreements.

On 2 June 2017, a subsidiary had entered into long-term loan agreement with a financial institution with a given credit facilities of Baht 1,500 million, drawn down of Baht 1,078 million on which interest is charged at the Minimum Loan Rate (MLR) reference rate minus a margin. The loan is repayable in 12 periods by three-month installments, with the first of these due in June 2019. This long-term loan is secured by the Company (as mentioned in note 31.5.2). The long-term loan agreement contains conditions that require the subsidiary to comply with certain conditions and restrictions stipulated in the agreement, i.e. to maintain the consolidated financial statements' debt to equity ratio at the rate prescribed in the agreement.

On 12 July 2017, a subsidiary had entered into long-term loan agreement with a financial institution with a given credit facilities of Baht 1,455 million, drawn down of Baht 412 million on which interest is charged at the fixed rate for the first 2 years and the Minimum Loan Rate (MLR) reference rate minus a margin for the following years. The loan is repayable in one-month installments over a period of 5 years, with the first of these due in August 2019. This long-term loan is unsecured. The long-term loan agreement contains conditions that require the subsidiary to comply with certain conditions and restrictions stipulated in the agreement, i.e. to maintain the subsidiary's debt to equity ratio at the rate prescribed in the agreement.

21. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employee after they retire, was as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Provision for long-term employee				
benefits at beginning of year	89,752	65,561	47,701	39,873
Included in profit or loss:				
Current service cost	13,284	10,265	4,295	4,119
Interest cost	2,241	1,997	931	985
Included in other comprehensive income:				
Actuarial loss (gain)				
Demographic assumptions changes	2,872	6,739	484	1,184
Financial assumptions changes	(6,330)	766	(1,824)	(806)
Experience adjustments	1,861	5,556	2,439	2,346
Benefits paid during the year	<u>(1,483)</u>	<u>(1,132)</u>	<u>-</u>	<u>-</u>
Provision for long-term employee				
benefits at end of year	<u>102,197</u>	<u>89,752</u>	<u>54,026</u>	<u>47,701</u>

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cost of sales	5,287	3,779	-	-
Selling and administrative expenses	<u>10,238</u>	<u>8,483</u>	<u>5,226</u>	<u>5,104</u>
Total expenses recognised in profit or loss	<u>15,525</u>	<u>12,262</u>	<u>5,226</u>	<u>5,104</u>

The Company and its subsidiaries expect to pay Baht 52 million of long-term employee benefits during the next year (Separate financial statements: Baht 36 million) (2016: Baht 1 million, separate financial statements: Nil).

As at 31 December 2017, the weighted average duration of the liabilities for long-term employee benefit is 5 - 24 years (Separate financial statements: 5 years) (2016: 5 - 25 years, separate financial statements: 5 years).

Key actuarial assumptions at the valuation date were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	1.9 - 3.3	1.8 - 2.7	1.9	1.8
Future salary increase rate	5.8 - 9.3	5.3 - 9.8	8.3	9.8
Staff turnover rate (depending on age)	0 - 75	0 - 55	8	0 - 44

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2017 and 2016 are summarised below:

(Unit: Million Baht)

As at 31 December 2017

	Consolidated financial statements		Separate financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(2.9)	3.4	(0.6)	0.6
Salary increase rate	3.2	(2.8)	0.6	(0.6)
Staff turnover rate	(3.1)	3.3	(0.5)	0.5

(Unit: Million Baht)

31 December 2016

	Consolidated financial statements		Separate financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(2.9)	3.1	(0.6)	0.7
Salary increase rate	2.9	(2.7)	0.6	(0.6)
Staff turnover rate	(3.0)	3.2	(0.6)	0.6

22. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. In 2016, the Company set aside a statutory reserve totaling Baht 6 million. At present, the statutory reserve has fully been set aside.

23. Other income/other expenses

23.1 Other income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Management income	-	-	242,400	180,000
Rental and service income	65,805	58,679	-	-
Gain on exchange	39,131	-	-	-
Scrap sales income	14,787	13,465	-	-
Income from sales and trade-off premium goods	9,700	4,647	-	-
Interest income	3,436	27,562	143,387	75,594
Gain from sales of equipment	2,412	15,759	-	-
Others	28,260	26,636	3,633	4,330
Total other income	<u>163,531</u>	<u>146,748</u>	<u>389,420</u>	<u>259,924</u>

23.2 Other expenses

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Loss on exchange	-	21,576	1,618	2,029
Loss on changes in fair value of foreign exchange contracts	-	20,601	-	-
Total other expenses	<u>-</u>	<u>42,177</u>	<u>1,618</u>	<u>2,029</u>

24. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Raw materials and packing materials used	7,863,580	5,629,636	-	-
Salaries, wages and other employee benefits	1,250,816	1,025,353	184,252	190,607
Sales promotion expenses	1,102,023	462,988	-	-
Travelling expenses	297,740	230,484	189	2,661
Depreciation and amortisation	263,210	226,286	-	-
Freight expenses	271,934	214,622	-	-
Utility service expenses	155,127	124,200	6	40
Advertising expenses	181,818	100,001	-	-
Consumables used	270,580	187,333	-	-
Repair and maintenance expenses	108,290	78,687	-	-
Loss on exchange	-	21,576	1,618	2,029
Loss on changes in fair value of foreign exchange contracts	-	20,601	-	-
Changes in inventories of finished goods	(108,624)	(128,274)	-	-

25. Income tax

Income tax expenses for the years ended 31 December 2017 and 2016 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax:				
Current corporate income tax charge	258,390	283,874	25,777	9,953
Deferred tax:				
Relating to origination and reversal of temporary differences	2,167	(5,661)	(1,038)	(1,021)
Income tax expense reported in the income statement	<u>260,557</u>	<u>278,213</u>	<u>24,739</u>	<u>8,932</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2017 and 2016 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax:				
Deferred tax relating to actuarial gain (loss)	319	(2,612)	(220)	(545)

The reconciliation between accounting profit and income tax expense is shown below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Accounting profit before tax	1,061,215	1,683,089	975,768	1,179,913
Applicable tax rate	16.5%, 19%, 20%, 29.2%	16.5%, 20%, 29.2%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	219,261	335,438	195,154	235,983
Effects of:				
Promotional privileges (Note 26)	(75,269)	(92,292)	-	-
Income not subject to tax	(13,652)	-	(170,399)	(227,399)
Non-deductible expenses	4,599	3,060	20	360
Additional expense deductions allowed	(48,097)	(3,842)	(36)	(12)
Unrecognised tax loss as deferred tax assets	173,715	35,849	-	-
Total	41,296	(57,225)	(170,415)	(227,051)
Income tax expenses reported in the income statement	260,557	278,213	24,739	8,932

As at 31 December 2017, the subsidiaries have unused tax losses of 2017 and 2016 totaling Baht 173.7 million and Baht 35.8 million, respectively on which deferred tax assets have not been recognised as the subsidiaries consider that it is not certain whether they are able make profit in a short period that is sufficient to allow the utilisation of the temporary difference and tax losses.

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax assets				
Provision for trade discounts and promotions	13,209	17,395	-	-
Provision for long-term employee benefits	15,205	12,716	5,570	4,306
Tax losses	1,315	-	-	-
Accrued expenses	1,000	-	-	-
Different rate of depreciation	379	498	-	-
Allowance for diminution in value of inventories	260	221	-	-
Forward contract payable	-	3,094	-	-
Allowance for doubtful accounts	-	62	-	-
Total	31,368	33,986	5,570	4,306
Deferred tax liabilities				
Different rate of depreciation	152	-	-	-
Gain on change in value of short-term investment in trading securities	7	-	7	-
Accrued rebate income	-	290	-	-
Total	159	290	7	-
Total deferred tax assets and liabilities - net	31,209	33,696	5,563	4,306

As at 31 December 2017 and 2016, the above deferred tax assets and liabilities are presented in the statements of financial position as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax assets	31,361	33,696	5,563	4,306
Deferred tax liabilities	(152)	-	-	-
Total deferred tax assets and liabilities - net	31,209	33,696	5,563	4,306

26. Promotional privileges

Asia Pacific Glass Co., Ltd., a subsidiary, has received promotional privileges under the Investment Promotion Act B.E. 2520 as approved by the Board of Investment. Subject to the imposed conditions, the significant privileges are as follows:

Descriptions	Privileged details	
1. Certificate No.	2326(4)/2556	59-1062-0-00-1-0
2. Certificate date	24 September 2013	18 August 2016
3. Promotional privileges for	Manufacture of glass bottle	Manufacture of glass bottle
4. The significant privileges are:		
4.1 Exemption from corporate income tax on income from the promoted operation.	6 years (expire on 7 August 2020)	3 years (expire on 19 December 2020) (Tax exempted according with investment)
4.2 Exemption from income tax on dividends paid from the promoted operation on which the corporate income tax is exempted throughout the corporate income tax exemption period.	6 years (expire on 7 August 2020)	3 years (expire on 19 December 2020)
4.3 Exemption from import duty on machinery as approved by the board.	Granted	-
4.4 Fifty percent reduction of import duty on machinery as approved by the board.	-	Granted

The subsidiary operating revenues for the years ended 31 December 2017 and 2016 divided between to promoted and non-promoted operations, are summarised below.

	(Unit: Thousand Baht)					
	Promoted operations		Non-promoted operations		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Domestic sales	1,149,520	1,129,532	299,613	305,845	1,449,133	1,435,377

27. Earnings per share

Basic earnings per share is calculated by dividing earnings for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit for the years attributable to equity holders the Company (Thousand Baht)	1,245,812	1,489,756	951,209	1,170,981
Weighted average number of ordinary shares (Thousand shares)	1,000,000	1,000,000	1,000,000	1,000,000
Earnings per share (Baht/share)	1.25	1.49	0.95	1.17

28. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as executive chairman.

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services. The operations are carried on in domestic and overseas, involve three principal segments as follows:

- (1) Manufacture and distribution of beverage
- (2) Manufacture and distribution of bottles and glass products
- (3) Distribution management

No operating segment have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The Company and its subsidiaries are organised into business units based on their products. During the current year, the Company and its subsidiaries have not changed the organisation of their reportable segments.

The following tables present revenue, profit and total assets information regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2017 and 2016.

(Unit: Million Baht)

Consolidated financial statements								
For the year ended 31 December 2017								
	Manufacture and distribution		Distribution management			Total reportable segments	Adjustments and eliminations	Consolidated
	Beverage	Glass bottle	Domestic	Overseas	Others			
Revenue from external customers	4,848	-	7,854	202	-	12,904	-	12,904
Inter-segment revenue	5,650	1,449	-	82	-	7,181	(7,181)	-
Total revenue	10,498	1,449	7,854	284	-	20,085	(7,181)	12,904
Segment gross profit	2,842	428	723	23	-	4,016	49	4,065
Other income	178	4	42	-	1,334	1,558	(1,394)	164
Depreciation and amortization	153	87	21	2	1	264	(1)	263
Interest expenses	127	-	-	27	29	183	(142)	41
Income tax expenses	219	5	13	-	24	261	-	261
Segment total assets	7,554	3,055	1,005	363	11,992	23,969	(11,449)	12,520
Additions (deletions) to non-current assets other than deferred tax assets	1,640	629	(6)	13	1,915	4,191	(1,151)	3,040

(Unit: Million Baht)

Consolidated financial statements								
For the year ended 31 December 2016								
	Manufacture and distribution				Total reportable segments	Adjustments and eliminations	Consolidated	
	Beverage	Glass bottle	Distribution management	Others				
Revenue from external customers	3,350	-	6,577	16	9,943	-	9,943	
Inter-segment revenue	5,590	1,435	-	-	7,025	(7,025)	-	
Total revenue	8,940	1,435	6,577	16	16,968	(7,025)	9,943	
Segment gross profit	2,415	505	614	3	3,537	18	3,555	
Other income	122	2	15	1,395	1,534	(1,387)	147	
Depreciation and amortization	130	82	15	-	227	(1)	226	
Interest expenses	42	6	-	1	49	(49)	-	
Income tax expenses	248	5	17	8	278	-	278	
Segment total assets	5,601	2,290	914	7,692	16,497	(6,719)	9,778	
Additions (deletions) to non-current assets other than deferred tax assets	1,325	595	34	1,540	3,494	(998)	2,496	

Geographic information

Revenue from external customers is based on locations of the customers.

(Unit: Million Baht)

	Consolidated financial statements	
	<u>2017</u>	<u>2016</u>
Revenue from external customers		
Domestic		
Thailand	7,854	6,582
Overseas		
Cambodia	2,489	2,074
China	1,019	23
Myanmar	422	278
Vietnam	356	173
Afghanistan	257	481
Others	507	332
Total	<u>12,904</u>	<u>9,943</u>

In 2017, the Company and its subsidiaries have revenue from domestic sales at 61 percent (2016: 66 percent) and revenue from overseas sales at 39 percent (2016: 34 percent).

As manufacture and distribution beverage and glass bottle and distribution management is the main business segments and the segment information that has been considered based on a quantitative basis is over 90 percent of the total population both operational and geographical areas. As a result, all of the assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customers

In 2017, the Company and its subsidiaries had no major customer with revenue of 10 percent or more than of its consolidated revenue (2016: Nil).

29. Provident fund

The Company and its subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company and its subsidiaries contribute to the fund monthly at the rate of 2 - 5 percent of basic salary. The fund, which is managed by K Master Pooled fund and Kasikorn Assets Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2017 by the Company and its subsidiaries amounting to approximately Baht 14.9 million (2016: Baht 11.5 million) were recognised as expenses, the Company only: Baht 3.9 million (2016: Baht 3.4 million).

30. Dividends

<u>Dividend</u>	<u>Approved by</u>	<u>Total dividends</u> (Million Baht)	<u>Dividend per share</u> (Baht)	<u>Paid on</u>
<u>The Company</u>				
<u>For the year 2017</u>				
Dividend from 2016 income	Annual General Meeting of the Shareholders on 25 April 2017	600	0.6	May 2017
Interim dividend	Board of directors' meeting of the Company on 11 August 2017	<u>350</u>	0.4	September 2017
Total dividends for 2017		<u>950</u>		
<u>For the year 2016</u>				
Dividend from 2015 income	Annual General Meeting of the Shareholders on 26 April 2016	540	0.5	May 2016
Interim dividend	Board of directors' meeting of the Company on 11 August 2016	<u>400</u>	0.4	September 2016
Total dividends for 2016		<u>940</u>		

Dividend	Approved by	Total dividends	Dividend per share	Paid on
<u>Subsidiaries</u>				
<u>For the year 2017</u>				
Interim dividend	Board of directors' meeting of Carabao Tawandang Co., Ltd. on 12 May 2017	252	84.0	September 2017
Interim dividend	Board of directors' meeting of Carabao Tawandang Co., Ltd. on 14 November 2017	600 ⁽¹⁾	200.0	May 2017
Total dividend for 2017		852		
<u>For the year 2016</u>				
Interim dividends	Board of directors' meeting of Carabao Tawandang Co., Ltd. on 16 May 2016	360	120.0	September 2016
Interim dividends	Board of directors' meeting of Tawandang DCM Co., Ltd. on 16 May 2016	50	50.0	September 2016
Interim dividends	Board of directors' meeting of Carabao Tawandang Co., Ltd. on 14 November 2016	525 ⁽¹⁾	175.0	May 2017
Interim dividends	Board of directors' meeting of Tawandang DCM Co., Ltd. on 14 November 2016	40 ⁽¹⁾	40.0	May 2017
Interim dividends	Board of directors' meeting of Asia Pacific Glass Co., Ltd. on 14 November 2016	162 ⁽¹⁾	36.0	May 2017
Total dividends for 2016		1,137		

⁽¹⁾As at 31 December 2017 and 2016, the Company had dividend payable of Baht 600 million and Baht 727 million, respectively, which the subsidiaries will be paid to their shareholders within 31 May 2018 and 2017, respectively.

31. Commitments and contingent liabilities

31.1 Capital commitments

As at 31 December 2017 and 2016, the subsidiaries had capital commitments, relating to the construction of factory buildings, acquisition of machinery and development of intangible assets as follows:

(Unit: Million)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Baht	216.2	164.3	1.6	-
US dollar	28.1	6.4	-	-
Euro	8.1	10.1	-	-
Yen	-	16.1	-	-
Pound sterling	-	0.6	-	-

31.2 Operating lease and service commitments

The Company and its subsidiaries has entered into several lease agreements in respect of the lease of motor vehicles and equipment and service agreements. The terms of the agreements are generally between 1 and 5 years.

As at 31 December 2017 and 2016, Company and its subsidiaries had future minimum lease payments required under these non-cancellable operating leases and service contracts were as follows.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Payable:				
In up to 1 year	128.0	108.8	4.4	0.9
In over 1 year and up to 5 years	178.8	228.5	6.8	-

31.3 Significant agreements with related parties

31.3.1 On 17 July 2012, Carabao Tawandang Co., Ltd., (a subsidiary) and Tawandang DCM Co., Ltd., (another subsidiary), entered into an agency agreement whereby the Tawandang DCM agreed to be a sole distributor of Carabao Tawandang Beverage. The agreement is effective for a period of ten years, to be expired on 14 October 2022 and renewable every five years. Under the conditions of this agreement, Carabao Tawandang Co., Ltd. is obliged to support Tawandang DCM Co., Ltd., with regard to its advertising and promotional expenses incurred according to the terms and conditions of the agreement.

31.3.2 Carabao Tawandang Co., Ltd. (a subsidiary) and Asia Pacific Glass Co., Ltd., (another subsidiary), entered into a sale and purchase agreement for 150 ml amber glass bottle and 250 ml clear glass bottle in accordance with quantity and design as depurated in the agreement. This agreement is effective since the date on the agreement unless cancelled by either party.

31.3.3 On 20 November 2013, Carabao Tawandang Co., Ltd., (a subsidiary) entered into a public relation and brand image agreement with a related company. Under the condition of this agreement, the subsidiary has obliged to pay a fee of Baht 10 million per annum. The agreement is effective for a period of three years between 1 January 2014 and 31 December 2016.

On 1 July 2014, the subsidiary entered into a supplemental agreement to modify the period of the agreement from 3 years to 5 years, whereby the rate of public relation and brand image fee remains unchanged. In addition, the subsidiary agrees to automatically extend the agreement for another 5 years after the expiration on 31 December 2018 and also agrees to pay for the fee of Baht 12 million per year. This agreement is effective on 1 July 2014 onwards.

31.3.4 On 6 January 2014, the Company entered into a technical assistance and management agreement with three subsidiaries. The agreement is effective for a period of 5 years between 1 January 2014 and 31 December 2018. Under the condition of this agreement, the Company receives a monthly service fee of Baht 10 million.

On 17 February 2016, the Company and its subsidiaries entered into an amendment to the agreement, changing the service fee from Baht 10 million per month to Baht 15 million per month. The agreement is effective on 1 January 2016 to 31 December 2018.

On 23 January 2017, the Company and its subsidiaries entered into an amendment to the agreement, changing the service fee from Baht 15 million per month to Baht 20 million per month. The agreement is effective on 1 January 2017 and 31 December 2018.

On 25 January 2018, the Company entered into a technical assistance and management agreement with another subsidiary. The agreement is effective since 1 November 2017 unless cancelled by either party. Under the condition of this agreement, the Company receives a monthly service fee of Baht 1.2 million.

31.3.5 Carabao Tawandang Co., Ltd. (a subsidiary) entered into a rental and service agreement with the Company, two subsidiaries, and two related companies. The agreement is effective for a period of 3 years. Under conditions of this agreement, Carabao Tawandang Co., Ltd. receives a monthly rental and service income of Baht 1.6 million.

- 31.3.6 On 1 February 2016, Carabao Tawandang Co., Ltd. (a subsidiary) and Tawandang DCM Co., Ltd. (another subsidiary), entered into a trademark license agreement for using trademark of Carabao Tawandang Co., Ltd. for certain product. The agreement is effective for a period of 2 years between 1 February 2016 and 31 January 2018. Under the conditions of this agreement, Tawandang DCM Co., Ltd. is obliged to pay trademark license fees as specified in the agreement and Carabao Tawandang Co., Ltd. is obliged to support the marketing expenses incurred according to such trademark.
- 31.3.7 Tawandang DCM Co., Ltd. (a subsidiary) entered into an agency agreement with two related companies whereby the Tawandang DCM Co., Ltd. agreed to be a sole distributor of such three related companies' products. The agreement is effective for a period of one year, and renewable every year. Under the conditions of this agreement, such two related companies are obliged to support Tawandang DCM Co., Ltd., with regard to its advertising and promotional expenses incurred according to the terms and conditions of the agreement.
- 31.3.8 On 20 October 2016, Carabao Tawandang Co., Ltd. (a subsidiary) and Carabao Venture Holdings (Luxembourg) S.à r.l. (another subsidiary), entered into an agency agreement whereby the Carabao Venture Holdings (Luxembourg) S.à r.l. agreed to be a sole distributor of Carabao Tawandang's products in the countries as specified in the agreement. The agreement is effective for a period of 9 years, to be expired on 19 October 2025.
- 31.3.9 On 1 July 2017, Asia Can Manufacturing Co., Ltd. (a subsidiary) entered into license agreement for using the knowhow for manufacturing with an unrelated company in overseas. This agreement is effective since the date on the agreement unless cancelled by either party. Under the condition of this agreement, such subsidiary has already paid for such license fee of Baht 50 million. In addition, such subsidiary is obliged to pay a royalty fee in quarterly basis at a rate specified in the agreement.
- 31.3.10 On 1 September 2017, Asia Pacific Glass Co., Ltd. (a subsidiary) entered into a land lease agreement with Asia Pacific Can Co., Ltd. (another subsidiary). The agreement is effective for a period of 30 years, to be expired on 31 August 2047 and renewable. Under the conditions of this agreement, Asia Pacific Glass Co., Ltd. received rental in advance of Baht 50 million.

31.4 Sponsorship agreement

31.4.1 On 16 July 2015 and 1 April 2016, Carabao Tawandang Co., Ltd. (a subsidiary) entered into a sponsorship agreements with two local football clubs concerning the marketing right regarding benefits and public relations as stipulated in the agreements. The agreements are effective from the date on the agreement until 31 December 2019 and 31 December 2020. Under conditions of this agreements, the subsidiary is obliged to pay total fee of Baht 6 million per annum.

31.4.2 On 18 November 2015, Carabao Tawandang Co., Ltd. (a subsidiary) and an unrelated company in overseas entered into a sponsorship agreement with a football club registered in England concerning the marketing right to promote the brands and trademarks of the subsidiary in a football match. The agreement is effective for a period of 3 years between 1 May 2016 and 30 June 2019.

On 10 January 2017, the unrelated company has entered into an agreement to transfer its rights and obligations under the sponsorship agreement to Intercarabao Limited (another subsidiary) and Carabao Venture Holdings (Luxembourg) S.à r.l. (another subsidiary). The agreement is effective on 21 October 2016 onwards.

On 27 April 2017, such 3 subsidiaries entered into an amendment to the agreement with respect to the marketing right and sponsorship fee. The subsidiaries obtained a special condition to extend the period of the agreement from 3 years to 5 years, expiring on 30 June 2021, with additional fee totaling Pound 3 million. However, the marketing right in year 4 - 5 will be decreased from Principal Partner to be Global Sponsorship.

As at 31 December 2017, Carabao Tawandang Co., Ltd. and 2 overseas subsidiaries are obliged to pay a fee of Pound 5 million and Pound 12 million, respectively, to the football club under conditions of this agreement (2016: only Carabao Tawandang Co., Ltd. of Pound 8 million).

31.4.3 On 1 June 2016, Intercarabao Limited (a subsidiary) entered into a sponsorship agreement with a football club registered in England concerning the marketing right to promote the brands and trademarks of the subsidiary in a football match. The agreement is effective for a period of 3 years between 1 June 2016 and 31 May 2019. The subsidiary is obliged to pay a fee to the football club under the terms and conditions specified in this agreement.

31.4.4 On 1 November 2016, Carabao Venture Holdings (Luxembourg) S.à r.l. (a subsidiary) entered into a sponsorship agreement with The Football League Limited which is incorporated in England. Under the condition of this agreement, the subsidiary is entitled to formally use the name and trademark of Carabao Tawandang Co., Ltd. (another subsidiary) to be the title of the football match and to promote the brand and trademark over a period of 3 seasons (from 2017/2018 Season to 2019/2020 Season). The subsidiary is obliged to pay a fee to such company under the terms and conditions specified in this agreement. The agreement is effective for a period of 3 years between 1 June 2017 and 31 May 2020.

31.5 Guarantees

31.5.1 As at 31 December 2017, the Company has guaranteed for credit facilities, in form of letter of credit and forward contract, of Carabao Tawandang Co., Ltd. (a subsidiary) and Asia Pacific Glass Co., Ltd. (another subsidiary) amounting to Baht 1,100 million (2016: Baht 1,100 million).

31.5.2 As at 31 December 2017, the Company has guaranteed loan of Carabao Tawandang Co., Ltd. (a subsidiary) with a given credit facility of Baht 1,500 million (2016: Nil).

31.5.3 As at 31 December 2017, there were outstanding bank guarantees of approximately Baht 43.2 million (2016: Baht 25.2 million) issued by banks on behalf of the Company and its subsidiaries to guarantee the use of electricity and natural gas, and the submission of excise tax (the Company only: Nil (31 December 2016: Baht 2.4 million to guarantee the use of electricity)).

32. Fair value hierarchy

As at 31 December 2017 and 2016, the Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements							
	Level 1		Level 2		Level 3		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Asset measured at fair value								
Held for trade investments								
Debt instruments	-	-	7.1	604.3	-	-	7.1	604.3
Asset for which fair value are disclosed								
Investment properties	-	-	-	-	186.2	181.7	186.2	181.7
Financial liability measured at fair value								
Derivatives								
Forward exchange contracts	-	-	-	15.5	-	-	-	15.5

(Unit: Million Baht)

	Separate financial statements							
	Level 1		Level 2		Level 3		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Asset measured at fair value								
Held for trade investments								
Debt instruments	-	-	7.1	604.3	-	-	7.1	604.3

33. Financial instruments

33.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade accounts receivable and other receivables, short-term loans to related parties, investment, trade accounts payable and other payables, short-term and long-term loans from financial institutions. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries's is exposed to credit risk primarily with respect to trade accounts receivable, other receivables and short-term loans to related parties. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of trade accounts receivables and other receivables and short-term loans to related parties as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries's exposure to interest rate risk relates primarily to its cash at banks, current investments, short-term loans to related parties and short-term and long-term loans from financial institutions. However, most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. Significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 December 2017				
	Fixed interest rates	Floating interest rate	Interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year				
Financial assets					
Cash and cash equivalent	-	117	30	147	0.01 - 0.38
Current investments	-	-	7	7	-
Trade and other receivables	-	-	960	960	-
	<u>-</u>	<u>117</u>	<u>997</u>	<u>1,114</u>	
Financial liabilities					
Short-term loans from financial institutions	845	-	-	845	1.7 - 2.3
Trade and other payables	-	-	1,897	1,897	-
Short-term loans from non-controlling interests of the subsidiary	57	-	-	57	5.0
Long-terms loan from financial institutions	-	2,490	-	2,490	MLR minus a margin
	<u>902</u>	<u>2,490</u>	<u>1,897</u>	<u>5,289</u>	

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2016

	Fixed		Interest bearing	Total	Effective interest rate (% per annum)
	interest rates Within 1 year	Floating interest rate			
Financial assets					
Cash and cash equivalent	522	222	1	745	0.01 - 1.40
Current investments	-	-	604	604	-
Trade and other receivables	-	-	562	562	-
	<u>522</u>	<u>222</u>	<u>1,167</u>	<u>1,911</u>	
Financial liabilities					
Short-term loans from financial institutions	750	-	-	750	2.7 - 2.8
Trade and other payables	-	-	1,365	1,365	-
Long-term loan from financial institution	-	250	-	250	MLR minus a margin
	<u>750</u>	<u>250</u>	<u>1,365</u>	<u>2,365</u>	

(Unit: Million Baht)

Separate financial statements

As at 31 December 2017

	Fixed		Interest bearing	Total	Effective interest rate (% per annum)
	interest rates Within 1 year	Floating interest rate			
Financial assets					
Cash and cash equivalent	-	13	2	15	0.1 - 0.4
Current investments	-	-	7	7	-
Trade and other receivables	-	-	59	59	-
Short-term loans to related parties	3,769	-	-	3,769	3.5 - 5.0
Dividend receivable from related parties	-	-	600	600	-
	<u>3,769</u>	<u>13</u>	<u>668</u>	<u>4,450</u>	
Financial liabilities					
Short-term loans from financial institutions	735	-	-	735	1.7 - 2.3
Trade and other payables	-	-	53	53	-
Long-term loan from financial institution	-	1,000	-	1,000	MLR minus a margin
	<u>735</u>	<u>1,000</u>	<u>53</u>	<u>1,788</u>	

(Unit: Million Baht)

Separate financial statements					
As at 31 December 2016					
	Fixed	Floating	Interest	Total	Effective
	interest rates				
	Within 1 year				(% per annum)
Financial assets					
Cash and cash equivalent	420	8	1	429	0.4 - 1.4
Current investments	-	-	604	604	-
Trade and other receivables	-	-	43	43	-
Short-term loans to related parties	3,268	-	-	3,268	2.1 - 3.5
Dividend receivable from related parties	-	-	727	727	-
	<u>3,688</u>	<u>8</u>	<u>1,375</u>	<u>5,071</u>	
Financial liabilities					
Short-term loans from financial institutions	750	-	-	750	2.7 - 2.8
Trade and other payables	-	-	76	76	-
Long-term loan from financial institution	-	250	-	250	MLR minus a margin
	<u>750</u>	<u>250</u>	<u>76</u>	<u>1,076</u>	

Foreign currency risk

The subsidiaries' exposure to foreign currency risk arises mainly from trading transactions and services that are denominated in foreign currencies. A subsidiary seeks to reduce the risk by entering into forward exchange contracts when they consider appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets and liabilities denominated in foreign currencies as at 31 December 2017 and 2016 are summarised below.

Foreign currencies	As at 31 December 2017					
	Consolidated financial statement		Separate financial statements		Average exchange rate	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	Bought	Sold
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	1.2	1.2	-	-	32.5146	32.8472
Euro	3.6	3.8	1.2	-	38.6607	39.3938
Pound sterling	0.2	1.4	2.5	-	43.5198	44.4531
Yen	-	4.7	-	-	0.2860	0.2936
Hong Kong dollar	-	0.4	-	-	4.1421	4.2184

As at 31 December 2016						
Foreign currencies	Consolidated financial statement		Separate financial statements		Average exchange rate	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	Bought	Sold
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.1	0.2	-	0.3	35.6588	36.0025
Euro	0.3	0.1	-	-	37.3791	38.1362

As at 31 December 2016, foreign exchange contracts outstanding are summarised below.

Consolidated financial statements					
Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
Pound sterling	2	-	51.8010	-	23 January 2017

33.2 Fair values of financial instruments

The methods and assumptions used by the Company and its subsidiaries in estimating the fair value of financial instruments are as follows:

- For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, trade and other receivables, short-term loans to related parties, dividend receivable, trade and other payables and short-term loans from financial institution and non-controlling interest of the subsidiary, their carrying amounts in the statement of financial position approximate their fair value.
- Current investments in securities held for trading-debt securities are stated at market fair value.
- For long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.

During the current year, there were no transfers within the fair value hierarchy.

The net estimated fair value of the derivatives as at 31 December 2016 is as follows:

	(Unit: Million Baht)
	Fair value
	Loss
Derivatives	
Forward exchange contracts	15

34. Capital management

The primary objective of the Company and its subsidiaries' capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2017, the Group's debt-to-equity ratio were 0.79:1 (2016: 0.38:1) and the Company's was 0.31:1 (2016: 0.19:1).

35. Events after the reporting period

35.1 On 25 December 2017, the meeting of the Board of Directors of Asia Can Manufacturing Co., Ltd. (a subsidiary) passed a resolution to additional call up for the ordinary shares which were not fully paid up of 6,990,000 shares as follows:

- The second call up of Baht 120.0 million or equivalent to Baht 17.17 shares, due of payment on 12 January 2018.
- The third call up (final) of Baht 159.6 million or equivalent to Baht 22.83 shares, due of payment on 10 April 2018.

Such subsidiary has already received the second call up on 12 January 2018.

35.2 On 5 January 2018, the meeting of the Board of Directors of Carabao Holdings (Hong Kong) Limited (CHHK) (a subsidiary) pass a resolution to increase its registered share capital from USD 34.0 million to USD 60.5 million (increase USD 26.5 million or EUR 22.0 million). The Company had already made the payment for share subscription. Such subsidiary registered the share capital increase on 5 January 2018.

35.3 On 8 January 2018, the meeting of the Board of Directors of Carabao Venture Holdings (Luxembourg) S.à r.l. (CVHLUX) (a subsidiary) pass a resolution to increase its registered share capital from EUR 16.9 million to EUR 62.3 million (increase EUR 45.4 million or GBP 40.3 million) in order to support the operation of Intercarabao Limited (ICUK) (another subsidiary) through the process as follows:

- 1) Issue and offer new ordinary shares to existing shareholders in proportion to their holdings in the amount not exceeding EUR 22.0 million or GBP 19.5 million. However, Intercarabao Private Limited (ICSG), another shareholder of CVHLUX, has notified of its intention not to purchase new ordinary shares of CVHLUX in proportion to its holding in full. On 8 January 2018, CHHK purchase the additional ordinary shares of CVHLUX of EUR 22.0 million or GBP 19.5 million and had already made the payment for such share subscription in full amount.

- 2) Convert debt from loans from Carabao Holdings (Hong Kong) Limited (CHHK) and Intercarabao Private Limited (ICSG) into equity in the amount of EUR 23.4 million or GBP 20.8 million.

Such subsidiary registered the share capital increase on 8 January 2018.

A result of such increase in share capital, CHHK's holding proportion in CVHLUX increased from 51 percent to 84.3 percent, whereby the effect to the consolidated statements of financial position as at 31 December 2017 are summarised below.

	(Unit: Thousand Baht)
	<u>Increase (decrease)</u>
Surplus on changes in percentage of shareholding in subsidiaries	(368,686)
Non-controlling interests of the subsidiary	368,686

- 35.4 On 12 January 2018, the meeting of the Board of Directors of Intercarabao Limited (ICUK) (a subsidiary) pass a resolution to increase its registered share capital from GBP 14.5 million to GBP 34.0 million (increase GBP 19.5 million or EUR 22.0 million). Such subsidiary registered the share capital increase on 12 January 2018.

On 12 January 2018, CVHLUX purchase the additional ordinary shares of ICUK of GBP 19.5 million or EUR 22.0 million and had already made the payment for such share subscription of GBP 12.5 million on 12 January 2018. For the remaining of GBP 7.0 million, CVHLUX will make the payment within 31 December 2018.

- 35.5 On 21 February 2018, the meeting of the Company's Board of Directors pass a resolution to approve as follows

1. Approve the issuance and sales of debentures in principal amount not exceeding Baht 5,000 million or in other currency in equivalent value. However, such issuance and sales of debentures is subject to the approval of the Annual General Meeting of the Company's shareholders to be held in April 2018.
2. Approve the withdrawal of establishment of a subsidiary in Thailand for engaging in the logistic business, as mentioned in Note 12.5.4 to financial statements because the Company's Board of Directors considered that it is not suitable with the group's business at present.

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 21 February 2018.